

September 30, 2016

The Honorable Sylvia Mathews Burwell, Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Burwell,

The Center on Budget and Policy Priorities is a nonpartisan research and policy organization based in Washington, D.C. Founded in 1981, the Center conducts research and analysis to inform public debates and policymakers about a range of budget, tax and programmatic issues affecting individuals and families with low or moderate incomes.

Thank you for the opportunity to comment on Oregon's 1115 waiver proposal to renew the Oregon Health Plan (OHP). We strongly support the goals of Oregon's demonstration to strengthen care for vulnerable communities, improve integration of services, and continue improving the efficiency of care. While we support the key components of Oregon's innovative proposal, we have concerns regarding the continuation of the state's waiver of Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit and several other waiver provisions. We hope CMS can work with Oregon to resolve these issues and approve the state's waiver renewal.

### **Behavioral Health Services**

Oregon's proposal to develop infrastructure that would allow OHP behavioral health, long-term care, and social service providers to link to the state's health information exchange (HIE) has the potential to significantly improve care for individuals with co-occurring mental health, substance use, and physical health disorders, and social service needs. Individuals with these conditions often receive care that doesn't take their varied health and social service needs into consideration. Moreover, their care is often unnecessarily costly and inefficient, because their health care services are not coordinated with the other services they receive.

We support the state's proposal to provide care coordination to pre-adjudicated incarcerated individuals and those in IMDs. These individuals are often very high-risk and require support to ensure their care needs are met as they transition between systems. We urge the state to ensure that the care coordinators working with these individuals are trained to coordinate across the behavioral and physical health systems, and that they have experience providing housing-related resources and services.

We also support the proposal to expand tele-monitoring and telephonic consultation to improve psychiatric medication management, which has the potential to significantly improve access to these needed services, particularly in rural and medically underserved areas.

We also encourage Oregon to request CMS approval for a substance use disorder waiver that would expand access and focus on preventive and diversion services. This waiver could be an important

opportunity to ensure substance use disorder services are integrated into the OHP system, particularly the behavioral health interventions proposed in this waiver, and enhance the integrated approach Oregon is proposing.

### **Tenancy-Sustaining Services**

The extent of homelessness and the needs of individuals at risk of and experiencing homelessness in Oregon is staggering. As noted in the proposal, clinical care frequently fails to address or bridge a person's needs across sectors. Unmet social needs can have a significant impact on health outcomes and significantly increase the cost of care. The homelessness prevention, transitions of care, and tenancy sustaining services the state proposes would be significant steps to support stable housing for people who are homeless or at risk of homelessness.

We strongly support the Coordinated Health Partnerships (CHPs) Oregon is proposing support high-risk individuals and families, in particular those at risk of or experiencing homelessness. The siloes between the many different programs serving this population are inefficient and can create unintended barriers to improving outcomes. We also support the state's request to include up to 60 days of transitional housing to prevent further hospitalization for those with the highest needs.

CHPs have the potential to significantly increase integration of the systems serving the high-risk, high-need population they are designed to target. We urge the state to spend the initial years of the pilot focusing on and addressing the systems-level gaps in communication and data, rather than immediately providing specific services and benefits. Oregon should see a real return on its initial investment in bridging the gaps between systems if the program is able to integrate services already being provided by the various systems and thereby improve outcomes, and increase efficiency.

While we agree that providing resources and services to support tenancy is likely to improve health outcomes and reduce unnecessary health system costs in the long-term, we are concerned that the state's cost savings estimates are unrealistic. Building linkages between the systems serving high-risk, high-need populations such as those experiencing homelessness is likely to improve health and strengthen the health system as whole. In time, it will also support reduced health care cost growth. However, the literature does not suggest that these benefits translate into immediately reduced health care costs, even among the population most likely to overuse acute care services.<sup>1</sup> Even so, this is a worthwhile pilot and should be tested regardless of its short-term potential for cost-containment.

The proposal does not specifically address how the state will identify individuals who meet the criteria for the target population, other than requiring CHPs and hospitals to work together. The state also does not commit to specific measures, data collection strategies, or public reporting of the program. These are essential steps for the state's success, and a plan for developing these measures and strategies as well as for public reporting should be incorporated in the terms and conditions of the final waiver.

### **Financing**

As noted above, we strongly support the innovative delivery system changes Oregon is proposing and believe that testing these promising models of care meets the criteria for section 1115 demonstration projects. The state's ability to control cost growth while maintaining the flexibility to

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<sup>1</sup> Ehren Dohler *et al.*, "Supportive Housing Helps Vulnerable People Live and Thrive in the Community," Center on Budget and Policy Priorities, May 2016.

respond to unforeseen events, new treatments, and beneficiary needs is laudable. We also support finding a mechanism to reinvest the savings that may be achieved through integrated care and improved health outcomes to provide further support for the interventions.

While we support Coordinated Care Organizations' (CCOs') use of flexible services, we believe it is important to maintain the calculation of plans' medical loss ratios (MLRs). The MLR is an important tool to ensure that taxpayer funds are used efficiently. The term "costs associated with health-related services" is so vague that including it as a category of medical services for the purposes of calculating the MLR would render the MLR essentially meaningless.

We support the proposal to encourage CCOs to enter into value-based payment arrangements with network providers whenever possible. Payment reform models that include value-based payments have the potential to align financial incentives for better quality and reduce cost growth. However, we are concerned that some value-based payment arrangements, particularly those that require providers to accept financial risk for patients, penalize small providers and those that serve medically underserved and high-need patients. If these providers are not given the opportunity to participate, it could increase consolidation and deteriorate care for those most in need, leading to increased health disparities. We encourage Oregon to ensure that small provider groups and those serving disproportionately high-need populations are not penalized by these arrangements and have opportunity to succeed in the model.

### **Additional Demonstration Benefits**

Oregon's proposal includes several other innovative benefits to improve beneficiary care. We support piloting the use of doulas in non-clinical roles to support healthy childbirth, as supported by the scientific literature. We are also interested in an evaluation of the use of home visitation services through the Targeted Case Management program.

We are concerned about reports that the EPSDT waiver is resulting in denial of medically necessary EPSDT benefits, including Applied Behavioral Analysis services. This is a particular concern in light of CMS' July 2014 guidance clarifying the requirement under EPSDT to provide eligible individuals with all medically necessary services to treat autism spectrum disorders. We urge you to reject the request to renew Oregon's EPSDT waiver to ensure that eligible individuals receive all medically necessary services to which they are entitled under EPSDT.<sup>2</sup>

We also have concerns about the state's proposal to begin passive enrollment of dually-eligible individuals into CCO plans. As noted in the proposal, nearly half of dually-eligible individuals who could have opted-in to a CCO have chosen not to do so. Passive enrollment should be employed with enormous caution to protect beneficiaries' rights, particularly for populations such as duals who frequently have well-established networks of providers. Continuity of care for these individuals is essential to their health outcomes.

We are also concerned about the state's listed co-payments. Cost-sharing including copayments are likely to prevent individuals from accessing the health services they need. We are also concerned that the state's copayments may not be in compliance with the Mental Health Parity and Addiction Equity Act or the Affordable Care Act's preventive health service coverage requirements. We recommend that you review any required copayments for compliance with the relevant regulations.

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<sup>2</sup> CMCS Informational Bulletin, "Clarification of Medicaid Coverage of Services to Children with Autism," July 2014, <https://www.medicaid.gov/Federal-Policy-Guidance/Downloads/CIB-07-07-14.pdf>.

Thank you for your willingness to consider our comments. If you need additional information, please contact Hannah Katch ([hkatch@cbpp.org](mailto:hkatch@cbpp.org)).